

County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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June 18, 2001

To:

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Supervisor Zev Yaroslavsky

Supervisor Don Knabe

From:

David E. Jansser \

Chief Administrative Officer

ASSEMBLY BILL AB X2 30 (DUTRA) - BLACKOUT EXEMPTION FOR PETROLEUM REFINERIES - (ITEM NO. 122-F, AGENDA OF JUNE 19, 2001)

Item Number 122-F on your agenda for Tuesday, June 19, 2001, is a motion by Supervisor Knabe directing that a letter be sent to the California Public Utilities Commission calling for an exemption from blackouts for "the infrastructure that delivers gasoline, jet fuel and diesel fuel to customers and businesses statewide..." and urging support for AB X2 30 (Dutra). As introduced on May 17, 2001, AB X2 30 would provide that, except for essential service customers not subject to rotating outages or blackouts, crude petroleum refineries directly involved in the production of gasoline, diesel fuel, and aviation fuel would be the last electrical customer to be subject to a curtailment or rotating outage. It would also require utilities to provide the maximum possible notice before curtailing electrical service to refineries.

The intent of the bill is to prevent California's shortage of electricity from causing a shortage in critical petroleum based fuels. By establishing a new and separate curtailment category for petroleum refineries, the bill would increase to some degree the frequency of interruptions for customers who are curtailed.

There is no Board policy on this issue, therefore, support for AB X2 30 is a matter of Board policy determination.

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AB X2 30 passed the Assembly 80 - 0 on May 24, 2001 and is awaiting a hearing in the Senate Energy, Utilities and Communications Committee. There is no recorded support or opposition.

DEJ:GK JR:md

c: Executive Officer, Board of Supervisors County Counsel